



**COUNTY OF SAN LUIS OBISPO
DEPARTMENT OF PLANNING AND BUILDING
STAFF REPORT**

PLANNING COMMISSION

*Promoting the wise use of land
Helping build great communities*

MEETING DATE June 9, 2016	CONTACT/PHONE Airlin M. Singewald asingewald@co.slo.ca.us (805) 781-5198	APPLICANT Cass Winery	FILE NO. DRC2015-00038
SUBJECT Hearing to consider a request by Steve Cass (Cass Winery) for a Conditional Use Permit to allow the expansion of a previously approved winery and related visitor-serving uses including: a) construction of a new 13,279 square-foot (sf) barrel storage and administration building with an approximately 6,327 sf covered patio area and 6,800 sf of ornamental landscaping; b) construction of a new 4,128 sf eight room bed and breakfast inn; c) improvement of an existing agricultural road to serve as a secondary access road from the new barrel storage building and the bed and breakfast inn to Geneseo Road; d) increase in the existing temporary events program from six annual events with up to 80 attendees each to 20 annual events with up to 200 attendees each; e) use of an existing 1,760 sf commercial kitchen and seating area as a limited food serving facility (restaurant); and e) increase in annual wine production from 5,000 cases to up to 20,000 cases. The applicant is requesting modifications to ordinance standards to allow: an increase in the allowable square footage of a proposed restaurant in the Agriculture land use category from 800 to 1,760 sf, and increase in the maximum distance between a bed and breakfast inn and an existing visitor serving use from 100 feet to 144 feet. The proposed project will result in approximately 5 acres of site disturbance on a 273 acre parcel in the Agriculture land use category. The proposed project is located at 7350 Linne Road, at the northwest corner of Linne Road and Geneseo Road, approximately 4.13 miles east of Paso Robles. The site is in the El Pomar-Estrella sub-area of the North County planning area.			
RECOMMENDED ACTION <ol style="list-style-type: none">1. Adopt the Mitigated Negative Declaration in accordance with the applicable provisions of the California Environmental Quality Act, Public Resources Code Section 21000 et seq.2. Approve Conditional Use Permit DRC2015-00038 based on the findings listed in Exhibit A and the conditions listed in Exhibit B			
ENVIRONMENTAL DETERMINATION The Environmental Coordinator, after completion of the initial study, finds that there is no substantial evidence that the project may have a significant effect on the environment, and the preparation of an Environmental Impact Report is not necessary. Therefore, a Negative Declaration (pursuant to Public Resources Code Section 21000 et seq., and CA Code of Regulations Section 15000 et seq.) has been issued on April 28, 2016 for this project. Mitigation measures are proposed to address air quality, geology and soils, hazards/hazardous materials, public services/utilities, transportation/circulation, water and land use and are included as conditions of approval.			
LAND USE CATEGORY Agriculture	COMBINING DESIGNATION Flood Hazard	ASSESSOR PARCEL NUMBER 035-032-018	SUPERVISOR DISTRICT(S) 5
PLANNING AREA STANDARDS: Areawide - Paso Robles Groundwater Basin			
SURROUNDING LAND USE CATEGORIES AND USES: North: Agriculture; vineyards, rural residences East: Agriculture; undeveloped, rural residences South: Agriculture; vineyards, rural residences West: Agriculture; rural residences			
<small>ADDITIONAL INFORMATION MAY BE OBTAINED BY CONTACTING THE DEPARTMENT OF PLANNING & BUILDING AT: COUNTY GOVERNMENT CENTER γ SAN LUIS OBISPO γ CALIFORNIA 93408 γ (805) 781-5600 γ FAX: (805) 781-1242</small>			

OTHER AGENCY / ADVISORY GROUP INVOLVEMENT: The project was referred to: Public Works, Environmental Health, Agricultural Commissioner, Air Pollution Control District, Building Division, Cal Fire, and Regional Water Quality Control Board.	
TOPOGRAPHY: Nearly level to steeply sloping	VEGETATION: Vineyards, ornamental landscaping
PROPOSED SERVICES: Water supply: On-site wells Sewage Disposal: Individual septic systems Fire Protection: Cal Fire	ACCEPTANCE DATE: January 6, 2016

PROJECT SITE

The proposed project is a request to expand the existing Cass Winery, located at 7350 Linne Road, at the northwest corner of Linne Road and Geneseo Road, approximately 4.13 miles east of Paso Robles. The 273 acre parcel is planted with 145 acres of vineyards, contains two single family homes, one of which is a vacation rental, and an existing winery and tasting room.

Figure 1: Project Site



BACKGROUND

The existing winery and tasting room was approved in June 2004. The original Minor Use Permit (DRC2003-00003) approved the establishment of a wine processing facility, including a tasting room and case goods storage, in an existing 7,500 square-foot barn, with annual production set at a 5,000 case maximum. The original use permit also approved a limited special events program of up to six special events a year with up to 80 attendees each, in addition to industry wide events and other activities not regulated by the winery ordinance standards.

A building permit was submitted in October 2004 to convert the barn from an agricultural use to a variety of commercial uses including wine production, barrel storage, a tasting room, event dining, and a commercial kitchen. The commercial kitchen is used to prepare food for the events as well as to prepare items that are part of the current wine and food pairing program operated through the tasting room. The building permit for the original winery structure was finalized in April 2008.

A subsequent Minor Use Permit (DRC2008-00020) was approved on April 24, 2009. This Minor Use Permit authorized the construction of a new 4,000 square-foot wine storage building, which included a small covered crush area located just east of the existing winery building. This building was completed in September 2009.

Figure 2: Cass Winery Existing Facilities



PROJECT DESCRIPTION

The proposed project is a request by Steve Cass (Cass Winery) for a Conditional Use Permit to allow the expansion of a previously approved winery and related visitor-serving uses including:

- a) Construction of a new 13,279 square-foot barrel storage and administration building with an approximately 6,327 square-foot covered patio area and 6,800 square feet of ornamental landscaping;
- b) Construction of a new 4,128 square-foot eight room bed and breakfast inn (B&B);
- c) Improvement of an existing agricultural road to serve as a secondary access road from the new barrel storage building and the B&B to Geneseo Road;
- d) Increase in the existing temporary events program from six annual events with up to 80 attendees each to 20 annual events with up to 200 attendees each. This would be in addition to industrywide events and other activities not regulated by the winery ordinance.
- e) Use of an existing 1,760 square-foot commercial kitchen and seating area as a limited food serving facility (restaurant); and
- f) Increase in annual wine production from 5,000 cases to up to 20,000 cases.

The applicant is requesting modifications to ordinance standards to allow: an increase in the allowable square footage of a proposed restaurant in the Agriculture land use category from 800 to 1,760 square feet, and increase in the maximum distance between a B&B and an existing visitor serving use from 100 feet to 144 feet. The proposed project will result in approximately 5 acres of site disturbance on a 273 acre parcel in the Agriculture land use category.

KEY ISSUES

The proposed project would substantially expand the visitor-serving elements of the existing Cass Winery. Specifically, the project would add an eight room B&B, a 1,760 square-foot restaurant, an expanded temporary events program of 20 events with 200 attendees each, and a new winery administration building with features that are oriented towards events such as a 1,743 square-foot “commercial catering room” and 574 square-foot “private event area.” Additionally, the property includes an existing residential vacation rental. A key consideration is whether, when considered cumulatively, these visitor-serving elements are incidental to, and compatible with, the agricultural use of the land. This finding is an ordinance requirement for each of the proposed visitor-serving uses and is also reflected in Agriculture Element Policy 6.

In making this evaluation, staff considered the size and scale of the existing agricultural operation (the vineyard), compared the size of the agricultural processing and visitor-serving facilities, and looked at how the proposed project would impact the existing production agriculture. Staff determined that, while the project would expand the hospitality features of the winery, the primary use of the site would still be production agriculture. The site would have 143 acres of vineyards planted and the winery, as proposed, would produce up to 20,000 cases per year. Construction of the proposed buildings and road widening would take a relatively small amount of agriculture (2.2 acres of vineyards) out of production, and the total amount of floor area dedicated to visitor-serving uses (12,074 square feet) would be less than the amount for agricultural processing uses (17,086 square feet). Also, the proposed hospitality uses would be directly related to the agricultural use of the site because the vineyard and winery would be the main features drawing people to the site. The restaurant would be there to serve tasting room patrons and the B&B would be marketed to winery visitors as an opportunity to stay overnight within a working vineyard and fully operational winery.

The Agricultural Preserve Review Committee (APRC) reviewed the project on March 7, 2016 and agreed that the proposed land uses and structures would be incidental to and in direct support of the agricultural operations on the property. APRC had some concerns about how the B&B would operate and recommended a condition to ensure that it's operated in a way that promotes the vineyard and winery.

PROJECT ANALYSIS

Ordinance Compliance:

The project is subject to Land Use Ordinance section 22.30.260 Bed and Breakfast Facilities, Section 22.30.570 Restaurants in Non-Commercial Categories, and Section 22.30.070 Agricultural Processing/Wineries. As discussed below, these sections set forth standards for development including but not limited to access, setbacks, parking, design, screening, height, lighting, special events, tasting rooms, retail sales, and location.

Bed and Breakfast (22.30.260). Bed and breakfast facilities (B&Bs) when located in the Agriculture Land Use category with an existing conforming visitor-serving facility (e.g. winery), may be established in one structure, with an exterior design style that is residential or agricultural in appearance, built expressly for a B&B. The B&B is limited to 8 guestrooms and a family does not need to be in permanent residence. The B&B shall be located within 100 feet of the on-site winery, 200 feet from each property line and no closer than 400 feet to any existing residence outside the ownership of the applicant. The site of a B&B shall be located within 5 miles from an urban or village reserve line, on or within one mile of an arterial or collector. The inn must be clearly incidental, related, and subordinate to the primary operation of the winery as a production facility. A Conditional Use Permit approval is required for a B&B in the Agriculture Land Use Category.

Staff Response: The project proposes to construct a new 4,128 square-foot eight room B&B. The proposed B&B is located within five miles of the Paso Robles URL, is located on an arterial road, meets the required 200 foot property line setback (nearest property line is 520 feet to the east) and is located more than 1,000 feet from the nearest residence.

The proposed B&B would be located approximately 650 feet northeast of the nearest existing winery building and would be located within 144 feet of the proposed barrel storage room. This exceeds the 100 foot maximum distance requirement between the B&B and winery. The applicant's request for a waiver points out that the use (parking) areas for the B&B and the proposed winery building would be located within 100 of each other and the two uses would be connected by landscape features including pathways and arbors. The required findings for an exception can be made because the proposed B&B would not be located on Class I, II, or III soils and because it has been sited to minimize impacts to the existing oak trees and locating the B&B closer to the winery buildings would increase its visibility from Linne Road.

The ordinance states a new B&B inn must be clearly incidental, related, and subordinate to the primary operation of the winery as a production facility. The proposed B&B inn would be incidental, related, and subordinate to the winery because guests would be drawn to the property by the existing vineyard and winery, which would remain the primary uses of the site. According to the application, the B&B would be marketed to winery visitors as an opportunity to stay overnight within a working vineyard and fully operational winery. The proposed B&B and other existing and proposed visitor-serving uses would also be subordinate to the winery in terms of building floor area. Upon completion of the project, the property would include 12,074 square feet of floor area for visitor serving uses and 17,086 square feet of floor area for agricultural processing.

In its review of the project on March 7, 2016, the Agricultural Preserve Review Committee (APRC) found the project could be inconsistent with the Williamson Act if the proposed B&B is not operated with a direct connection to the existing vineyard. To address this concern, APRC recommended a condition of approval to require removal of the B&B if it's not operated in a manner that promotes the winery. This recommendation followed a comment by the applicant that the B&B would be a modular building constructed of shipping containers that could be recycled and reused on the vineyard as agricultural storage in the future.

The exterior design of a B&B inn must be residential or agricultural in appearance. The intent of this standard is to avoid B&Bs that resemble hotels or motels, which are not visually compatible with rural and agricultural settings. The proposed B&B would be constructed of cargo containers and from a distance would resemble a contemporary rural home. Each unit would be comprised of two cargo containers connected together and structurally supported above grade so that parking can be provided under the units. The use of weathered exterior and natural finish materials would help integrate the B&B into the natural landscape of the vineyard.

Figure 3: Artistic Rendering of Proposed B&B Inn



As shown in Table 1, below, seven B&B inns have been permitted on agricultural land in the county. Three of these were new buildings and the other four were remodels of existing homes or converted barns. With a total square footage of 4,128 square feet, the proposed B&B is about the average size of all permitted B&Bs on agricultural land.

Table 1: Permitted B&B Inns on Agricultural Land

Site	Permit	Rooms	Size (SF)	Type
Villa San Juliette	DRC2013-00097	6	Unknown	Remodel of residence
Stelzle Winery	DRC2003-00048	2	1,900	Conversion of barn
Messina Winery	D010158D	4	6,000	Remodel of residence
Traylor Winery	D010031D	4	4,000	Conversion of barn
Manucci Winery	D990226D	5	2,766	New building
Weyrich Winery	D980162D	8	6,460	New building
Justin Winery	D930138D	5	Unknown	New building

Restaurants in Non Commercial Categories (22.30.570). A “limited food service facility” is allowed in the Agriculture land use category provided there is an existing conforming visitor-serving use (e.g. winery) and the food facility is incidental to the primary visitor-serving operation. The limited food service facility may not exceed 800 square feet including the kitchen, dining area and any outside dining area. The hours of operation of the restaurant shall be restricted to the hours the wine tasting facility is open to the public.

Staff Response: The applicant is requesting a 1,760 square foot limited food facility (restaurant) within a portion of the existing tasting room (476 square feet), kitchen (504 square feet), and outdoor covered veranda area (780 square feet). This area is currently used for the winery’s food and wine pairing program (fixed menu) and events service but is not authorized for use as a restaurant with made to order meals.

The applicant is requesting a modification of the ordinance standard limiting a restaurant to 800 square feet to allow a total of 1,760 square feet. Conditional Use Permit approval is required for a restaurant when the subject property is located within the Agriculture land use category.

There is sufficient information for the review authority to approve the request to modify the ordinance standard limiting the food facility to 800 square feet to allow a 1,760 square foot restaurant because the proposed restaurant is incidental to the primary use on site which is the processing of wine and will be incidental to the primary visitor-serving operation. The kitchen, tasting room, and outdoor covered veranda area are currently existing and in use on site during regular business hours. It is anticipated that the restaurant patrons will also visit the tasting room during those hours.

As show in the table below, there are a relatively small number of wineries in the county with permitted restaurants. The sizes of the permitted restaurants have ranged from 790 square feet (Four Vines) to 3,400 square feet (Niner), with an average mean size of 1,500 square feet. The proposed 1,760 square-foot restaurant falls within this range.

Table 2: Wineries with Permitted Restaurants

Winery	Location	Permit Number	Size (SF)
Niner	Highway 46 West	DRC2013-00117	3,400
Villa San Juliette	Cross Canyon Road	DRC2013-00037	1,200
Carrasco	Highway 46 West	DRC2013-00094	800
Justin Winery	Chimney Rock Road	PMT2012-00213	1,564
Four Vines	Highway 46 West	DRC2008-000157	790

Ag Processing/Winery (22.30.070). The project is subject to Land Use Ordinance Section 22.30.070.D.(2), wineries. Section 22.30.070 sets forth standards for winery development including but not limited to access, setbacks, parking, design, screening, height, lighting, tasting rooms and special events. Conditional Use Permit approval is required for six or more special events or where there is the possibility that more than 80 individuals may attend.

Winery - setbacks. Where a winery has public tours, tasting, retail sales, or special events, the setback shall be increased from 100 to 200 feet from each property line and no closer than 400 feet to any existing residence outside the ownership of the applicant. These setbacks can be modified only after the Review Authority first determines that the request satisfies any of the following findings: (1) there is no feasible way to meet the required setbacks without creating environmental impacts or impacting prime agricultural land (SCS Class I, II and III); (2) the property fronts an arterial or collector street; (3) the setbacks are not practical or feasible due to existing topographic conditions or existing on-site vegetation or (4) is a legally constructed

existing structure that was built prior to 1980 and it can be clearly demonstrated that the structure was intended for a legitimate agricultural or residential use.

Staff Response: The existing winery processing structures and areas are currently located on the southern portion of the parcel within the required setback. The applicant is requesting to locate the proposed barrel storage building approximately 350 feet northeast of the existing winery buildings. It meets the required setbacks because it would be located more than 500 feet from the nearest property line and over 1,000 feet from the nearest offsite residence.

Special Events – Amplified music. The applicant is requesting to expand the existing events program to allow for 20 special events with up to 200 attendees. The Ordinance states that outdoor amplified music shall not occur before 10 a.m. and after 5 p.m.

Staff Response: The proposed project complies with this standard because the applicant is not requesting to hold events with amplified music before 10 a.m. or after 5 p.m.

As conditioned, the project complies with the requirements of the Land Use Ordinance as follows:

Table 3: Ordinance Compliance

Standard	Required	Proposed	In Compliance
Use Permit Required	CUP required for 6 or more special events CUP required for B & B (Ag) CUP required for Limited Food Service facility	20 Special Events with 200 attendees 8 Unit B&B 1,760 sf restaurant	Yes
Minimum Site Area	20 acres for wineries with special events 1 acre for B&B	Site is 273 acres	Yes
Access location	Wineries with tasting room, retail sales, special events - on or within 1 mile of arterial or collector Limited food service facility and B&B - on or within 1 mile of arterial or collector or 5 miles from an urban area	Linne Road is an arterial Site is with 5 miles of City of Paso Robles	Yes Yes
Winery Setbacks from property lines:	Wine Processing Building – 200 feet	577 feet from Linne Road 744 feet from Geneseo Road	Yes
B&B Setbacks from property lines	200 feet	520 feet from Geneseo Road 870 feet from Linne Road	Yes
Setbacks from residences outside of the ownership of the applicant	Winery w/tasting and B&B - 400 feet	>1,000 feet	Yes
Height	35 feet	Winery – 32 feet B&B – 18 feet	Yes

Screening	If visible from the public road wineries shall be screened.	Winery will be setback 577 feet from Linne Road, will not silhouette, and will be screened by vineyards	Yes
Lighting	Lighting fixtures are required to be shielded	Conditioned to comply	Yes, as conditioned
Solid waste disposal	Pomace may be used as fertilizer or soil amendment	Pomace will be used as a soil amendment	Yes
Design Exterior	Wineries shall have an exterior design styles that is agricultural or residential in nature.	The proposed building is agrarian in nature	Yes
Signs	Maximum of 100 sf of signage; one free standing or monument	Applicant is not proposing to go beyond what is allowed per LUO	Yes
Parking	<u>Proposed Winery Building:</u> <ul style="list-style-type: none"> 1 per 2,000 sf of active use ($8,073/2,000 = 4$); and 1 per 5,000 sf of storage ($5,206/5,000 = 1$) Total Required = 5	Total Proposed = 18	Yes
	<u>Special Events:</u> <ul style="list-style-type: none"> 400 sf per vehicle; open areas with slopes of 10 % or less; and 200 person event would require 32,000 sf Total Required = 32,000 sf	Total Proposed = 32,075 sf	Yes
	<u>Limited Food Service:</u> <ul style="list-style-type: none"> 1 per 100 sf of kitchen ($504/100 = 5$.) 1 per 60 sf of dining area ($1,256/60 = 21$) Total Required = 26	The site plan does not specify the number of parking spaces for the restaurant, but there appears to be adequate area for at least 26 parking spaces. The project is conditioned to submit a site plan showing adequate onsite parking.	Yes, as conditioned
	<u>Bed & Breakfast Facility:</u> <ul style="list-style-type: none"> 1 per unit ($8/1 = 8$) 	Total Proposed = 10	Yes
Secondary Access	Special Events shall be provided 2 access points	The winery has primary access from Linne Road and is proposing secondary access on Geneseo Road	Yes

Liquid waste disposal (Section 22.30.070)	Winery wastewater - standards set through Regional water Quality Control Board (RWQCB)	Project is conditioned for proof of permit RWQCB	Yes
--	---	---	-----

PLANNING AREA STANDARDS

Paso Robles Groundwater Basin

Outdoor water use. New development requiring discretionary land use permits is subject to the following requirements:

- a. Residential uses shall have no more than 25 percent of the area of irrigated, ornamental landscaping planted with turf.*
- b. All landscaped areas shall be irrigated with automatic irrigation systems, including irrigation controllers and moisture sensors.*
- c. All landscape plantings shall be low-water using.*
- d. Non-irrigated, drought resistant landscaping is encouraged in lieu of irrigated landscaping. The portion of a parcel that is not used for structural development, landscaping or driveways is encouraged to be left in a native state.*
- e. Rainwater capture or other alternative water systems are encouraged in compliance with Title 8 and 19 of the County Code, as applicable.*
- f. In cases where these standards conflict with other provisions of this Title that are more stringent, the more stringent provisions shall apply.*

Offset requirements. New development requiring discretionary land use permits shall offset the resulting net new water demand as follows:

- a. Land use permit applications shall include existing water use data, if it is available that is sufficient to calculate net existing water demand on the proposed project site. The land use applicant shall include descriptions of all proposed uses on the site in a level of detail adequate to calculate the proposed project's net new water demand. In any case, determinations of net new water demand, net existing water demand and net increase shall be the responsibility of the Planning Director or designee.*
- b. The net new water demand shall be offset at a ratio of 2:1 through participation in water conservation programs listed in subsection c below. Any net existing water demand shall be taken into account in the calculation of required offsets of net new water demand.*
- c. Programs to offset water used for non-agricultural purposes may include but are not limited to the following, but in any case, shall conserve only water used or potentially used for non-agricultural purposes:*
 - 1. Retiring the development potential of lots in the Paso Robles Groundwater basin through an agreement with the County or qualified land trust.*
 - 2. Retrofitting plumbing fixtures in the Paso Robles Groundwater Basin.*
 - 3. Purchasing supplemental water for a water supplier that uses groundwater from the main Paso Robles Groundwater Basin.*
 - 4. Participating in an approved water conservation program in the Paso Robles Groundwater Basin that results in water savings.*
 - 5. Reducing water demand in the Paso Robles Groundwater Basin through other means approved by the Planning Director.*
 - 6. Water from the Nacimiento or State Water Projects shall not be used for development in the rural area.*

- d. *Any required offset of net new water demand shall be completed at the time of final inspection or issuance of a certificate of occupancy unless an alternative completion time (which may be more or less time) is approved by the review authority. In any case, the review authority must find the offsets to be verifiable, permanent and enforceable.*
- e. *Agricultural Processing uses (as defined in the Land Use Ordinance), including outdoor and other appurtenant water use, shall be exempt from the preceding offset requirements for discretionary permits. Instead, agricultural processing uses shall be subject to project-specific land use and/or water conservation mitigation measures required by the review authority based on environmental review.*

Staff Response: A water demand analysis was prepared by Wallace Group (March 3, 2016). Rather than evaluating water demand based on use and building floor area, the demand analysis estimates the number of new people (employees and visitors) that would use the proposed facilities and the corresponding water demand. The analysis assumes the proposed restaurant would not increase water demand because it would serve existing tasting room patrons. In other words, the restaurant would increase choices for existing customers by allowing made to order meals, but is not anticipated to generate new patrons.

The water demand analysis categorizes all the proposed uses, except for the B&B, as “ag uses” and claims they are exempt from the 2:1 offset requirements of Title 22 based on the “Agricultural Processing uses” exemption. This exemption specifically cites the Title 22 definition of Agricultural Processing, which begins: “Establishments performing a variety of operations on crops after harvest...” Staff’s position is that this exemption applies to wine production (turning grapes into wine) but not to incidental winery uses such as temporary events, tasting rooms, and restaurants. Also, while the agricultural processing uses are exempt from the Title 22 offset requirements, they will be subject to the 1:1 offset requirements in Title 19.

The proposed project would require the following water usage:

Agricultural Processing Uses (exempt from 2:1 offset, but subject to 1:1 offset requirements per Title 19)

- Increased Wine Production. The project would increase annual winery production from 5,000 to 20,000 cases. Assuming water demand of 10 gallons per case, the increased case production would increase water demand by 15,000 gallons or 0.460 AFY. However, according to the water demand analysis, 80 percent of this water would be recycled and used for vineyard irrigation, resulting in a net increased demand of 0.092 AFY.
- Increased Employee Demand. The proposed winery expansion would require two additional full time equivalent (FTE) employees. Assuming water use of 10 gallons per day per employee, this would increase water demand by 1,460 gallons per year. However, the water demand analysis estimates that 80 percent of new water use would recharge the groundwater basin via the leach system, resulting in a net increased demand of 0.004 AFY.

Non-agricultural Uses (subject to 2:1 offset requirements)

- Increased Visitor Traffic. The proposed project would expand the existing temporary events program resulting in 3,520 new attendees per year (4,000 proposed, less 480 under existing special events program). Assuming water use of 5 gallons per patron per visit, this would increase water demand by 17,600 gallons per year or 0.054 AFY. The water demand analysis does not propose a leach field credit for visitor traffic.
- New Ornamental Landscaping. The project proposes 6,800 square feet of new ornamental landscaping surrounding the proposed barrel storage building. Assuming drip irrigation, this would require 76,296 gallons per year or 0.234 AFY.

- New Bed and Breakfast. The project proposes to construct a new 8 room B&B. Assuming water use of 50 gallons per occupant per day, two persons per room, and a 79 percent occupancy rate, and 80 percent leach field recharge, this would increase water demand by 40,880 gallons per year or 0.125 AFY.

Proposed Water Offsets

- Processing Wastewater Recycling. The project proposes to install a new wastewater system, which would recapture 80 percent of the existing process wastewater and apply it as irrigation. This is anticipated to result in a net water savings of 0.25 AFY.

Table 4: New Water Demand and Required Offsets

Project Element	Demand (AFY)	Use	Ratio ¹	Offset (AFY)
Increased Wine Production	0.092	Ag	1:1	0.092
Increased Employee Demand	0.004	Ag	1:1	0.004
Increased Visitor Traffic	0.054	Non Ag	2:1	0.108
New Ornamental Landscaping	0.234	Non Ag	2:1	0.468
Bed and Breakfast	0.125	Non Ag	2:1	0.25
Total	0.509			0.922
Proposed Offset (Recycled Processing Wastewater System)				0.25
Additional Offset Required				0.672

¹Agricultural processing uses are exempt from the Title 22 requirement that discretionary projects in the Paso Robles groundwater basin offset new water demand at a 2:1 ratio; however, they are still required to offset new water demand at a 1:1 ratio pursuant to Title 19.

The proposed project would remove 2.2 acres of planted vineyards for the proposed development, new outdoor activity areas, and road improvements. Based on a water demand factor of 1.25 AFY/acre, this would result in a water savings of 2.75 AFY. However, the General Plan encourages maintaining water resources for production agriculture to prevent the loss of agriculture (Agriculture Element Policy 11; AGP11) and therefore does not recognize the removal of agriculture for use of future offset credits.

LAND USE ISSUES

Williamson Act. This property is currently under a Land Conservation contract. Compatible uses for lands subject to Land Conservation Contracts include eating and drinking places according to *Table 2 – Agricultural and Compatible Uses For Lands Subject To Land Conservation Contracts and Farmland Security Zones in The Rule of Procedure to Implement the California Land Conservation Act of 1965 (Rules of Procedure)*. The Rules of Procedure do not state a maximum size limit for eating and drinking places instead relying on Section 22.30.570 of the Land Use Ordinance “Limited Food Service Facility” which limits restaurants in the Agriculture category to 800 square feet including the kitchen, interior dining area and any outside dining area. As previously stated, this application includes a request to modify the ordinance standard limiting the food facility to 800 square feet to allow a 1,760 square foot restaurant. Modification to the ordinance standard is allowed through Conditional Use Permit

approval. A Bed & Breakfast Facility in the inland area of the county is an allowable use (as stated in Rules of Procedure) but may be subject to further recommendations from the APRC.

Land use permits for eating and drinking places must be found by the review authority to not significantly displace or impair agricultural operations on the site or in the area. The proposed restaurant will use the existing commercial kitchen, tasting room, and veranda areas that will also be used during special events as allowed per the previously approved use permit. The dining area will be located in areas of the tasting room previously approved for public use. The site plan does not specify the number of parking spaces for the restaurant, but there appears to be adequate area for at least 26 parking spaces. The project is conditioned to submit a site plan showing adequate onsite parking. The primary use on-site is the processing of grapes grown onsite (145 acres) into wine within the approximately 8,000 square foot wine processing facility. The proposed restaurant will not displace or impair the existing agricultural operations on the site or in the area.

AGENCY REVIEW

Public Works – Required Traffic Engineers Report and Roadway Safety Analysis and noted that the driveway on Linne Road which is proposed to serve the new barrel storage room and bed and breakfast does not meet County standards and will require improvement prior to occupancy of any new development. No significant traffic-related concerns were identified. (Tim Tomlinson; September 21, 2015).

Staff Response: The applicant submitted a Traffic Engineers Report and Roadway Safety Analysis prepared by Orosz Engineering Groups, Inc., August 4, 2015. Public Works reviewed the report and analysis and concluded that no offsite improvements were necessary. Conditions regarding drainage, access and recycling included as project conditions.

Environmental Health – Various comments regarding food service, water supply, and hazardous materials requirements for the proposed restaurant, B&B, and events program. See attached (Leslie Terry; September 23, 2015).

Staff Response: The applicant is aware of these requirements and as conditioned, will be required to comply with those specified in the September 23, 2014 letter from the Department of Environmental Health.

Building Division – Various comments regarding applicable building code requirements (Michael Stoker; September 15, 2015).

Staff Response: The applicant is aware of these requirements and the final construction plans will be reviewed for compliance with all applicable building code provisions.

Air Pollution Control District (APCD) – Recommends various mitigation measures for construction-related and operational air quality impacts (Andy Mutziger, February 29, 2016).

Staff Response: The recommended conditions in the February 29, 2016 letter have been considered and discussed in the Mitigated Negative Declaration. Mitigation measures have been included in Exhibit B – Conditions of Approval.

Ag Commissioner – The project is generally consistent with Agriculture Element policies. However, to ensure impacts to agricultural resources are minimized the following is recommended: Identify a source for water offset credits that does not include the removal of irrigated crops (Lynda Auchinachie, January 5, 2016).

Staff Response: As described in the ordinance compliance section above, staff's water analysis does not give credit for the removal of vineyard because it would be inconsistent with County policies that discourage the removal of production agriculture. The project is conditioned to obtain an Offset Clearance from the Department of Planning and Building for 0.672 AFY. The offsets are achieved from plumbing retrofits on properties that overlie the Paso Robles Groundwater basin.

Cal Fire – Referral response letter was received from Clint Bullard on February 16, 2016.

Staff Response: Requirements have been included as mitigation measures in the Mitigated Negative Declaration and subsequently included as part of Exhibit B – Conditions of Approval.

California Department of Fish and Wildlife – No response.

LEGAL LOT STATUS

The lot was legally created by deed at a time when that was a legal method of creating lots.

Staff report prepared by Airlin M. Singewald and reviewed by Karen Nall.

ATTACHMENTS

1. Findings
2. Conditions
3. Graphics
4. Mitigated Negative Declaration